

Message Text

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22

ACTION EUR-12

INFO OCT-01 IO-11 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15

STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01

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R 090740Z APR 76

FM AMCONSUL DUSSELDORF

TO SECSTATE WASHDC 2863

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

USDEL MTN GENEVA

UNCLAS DUSSELDORF 0578

E.O. 11652: N/A

TAGS: ETRD, GW

SUBJECT: VIEWS OF GERMAN FLATWARE ASSOCIATION ON PENDING

PRESIDENTIAL DECISION ON REVISION OF CURRENT FLATWARE

TARIFF QUOTA

1. SUMMARY

MR. HANS-DIETER KLOOSS, MANAGER OF THE FOREIGN DEPARTMENT OF THE GERMAN CUTLERY AND FLATWARE ASSOCIATION, AND MR. FRANK SCHAEFFER, PRESIDENT OF THE FLATWARE DIVISION OF THE SAME ORGANIZATION AND CO-OWNER OF ONE OF THE LARGER GERMAN FLATWARE FIRMS, VISITED THE CONSULATE GENERAL ON APRIL 7 TO DISCUSS THE VIEWS OF THEIR ASSOCIATION ON POSSIBLE CHANGES IN THE CURRENT U.S. TARIFF QUOTA SYSTEM FOR STAINLESS STEEL FLATWARE (SSF). THE VISITORS MENTIONED THAT THEY WERE AWARE THAT THE PRESIDENT MUST DECIDE BY THE END OF APRIL WHAT ACTION TO TAKE ON THE INTERNATIONAL TRADE COMMISSION RECOMMENDATIONS ON SSF AND WISHED TO CONVEY

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TO THE USG THEIR VIEWS BEFORE A FINAL DECISION IS MADE.

END SUMMARY.

2. THE ASSOCIATION SPOKESMEN STATED THAT THE STAINLESS STEEL FLATWARE WHICH GERMAN FIRMS EXPORT TO THE U.S. IS NOT DIRECTLY COMPETITIVE WITH THE BULK OF STAINLESS STEEL FLATWARE PRODUCED IN THE U.S. THEY INSISTED THAT GERMANS EXPORT SPECIALTY ITEMS TO THE U.S. WHICH ARE TOP-OF-THE-LINE IN QUALITY, PRICE AND DESIGN, AND THAT THEY SERVE ONLY THE PREMIUM MARKET WITH PRODUCTS SELLING WELL ABOVE THE PRICES CHARGED BY MOST AMERICAN PRODUCERS. ASSOCIATION STATISTICS SHOW AVERAGE FOB EXPORT PRICES FOR GERMAN STAINLESS STEEL FLATWARE IN 1975 WERE DM 3.08 (1.22 DOLLARS) PER PIECE.

3. GERMAN SSF PRODUCERS ARE CONCERNED THAT THEIR HIGH-PRICED ITEMS MAY BE LUMPED TOGETHER WITH EXTREMELY LOW-PRICED ITEMS OF FAR EASTERN ORIGIN (WHICH THEY BELIEVE TO BE THE PRINCIPAL CAUSE OF MARKET DISRUPTION IN THE US) IN A NEW QUOTA SYSTEM. UNDER SUCH CONDITIONS THEY COULD STAND TO LOSE WHAT IS TO THEM A SUBSTANTIAL EXPORT MARKET. ACCORDING TO ASSOCIATION STATISTICS, 1975 GERMAN SSF EXPORTS TO THE U.S. WERE 2.2 MILLION PIECES VALUED AT DM 6.7 MILLION (2.6 MILLION DOLLARS), WHICH REPRESENTED 26.2 PERCENT OF TOTAL GERMAN SSF EXPORTS BUT ACCOUNTED FOR ONLY 7 PERCENT OF US IMPORTS BY VALUE AND LESS THAN 1 PERCENT OF U.S. IMPORTS BY VOLUME.

4. THE ASSOCIATION HAS NO OBJECTION TO A TARIFF QUOTA BUT FEELS THAT SOME PRICE EXCLUSION SHOULD BE BUILT INTO ANY SUCH SYSTEM. IF PRODUCTS SELLING FOR MORE THAN 50 CENTS PER PIECE WERE TO BE EXEMPTED FROM THE TARIFF QUOTA SYSTEM, IT WOULD PRESENT NO MAJOR PROBLEMS FOR GERMAN PRODUCERS. IF, HOWEVER, ALL SSF, REGARDLESS OF PRICE, WERE PUT UNDER TARIFF QUOTA, IT COULD CAUSE CONSIDERABLE DIFFICULTIES FOR THE GERMAN INDUSTRY. EVEN AN ABSOLUTE QUOTA WOULD PRESENT LITTLE PROBLEM FOR THE GERMANS IF THE MORE EXPENSIVE SSF WERE TO BE EXCLUDED (OVER 50 CENTS PER PIECE).

5. SHOULD TARIFF OR ABSOLUTE QUOTAS BE INSTITUTED FOR UNCLASSIFIED

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SSF, THE GERMAN INDUSTRY WOULD HOPE THAT THEY WOULD NOT BE SET ON A GLOBAL BASIS BUT WOULD BE ALLOCATED BY COUNTRY OR A GENERAL QUOTA FOR THE EEC.DUX

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Draft Date: 09 APR 1976
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Decaption Note:
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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Handling Restrictions: n/a
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